

GOOD EVENING.

I'M JOHN KENNEDY AND I HAVE THE HONOR OF SERVING AS YOUR STATE TREASURER.

I'M NOT USING A TELEPROMPTER TONIGHT; I JUST WANT TO SPEAK TO YOU FROM MY HEART.

IN 2005, THE LOUISIANA STATE BUDGET WAS \$16.5 BILLION. TODAY IT'S \$25 BILLION.

THAT'S A 40% INCREASE OVER A PERIOD OF TIME WHEN OUR ECONOMY AS MEASURED BY GROSS DOMESTIC PRODUCT ONLY GREW 25%.

SO HOW COME WE'RE RUNNING DEFICITS?

IT'S REALLY PRETTY SIMPLE.

FOR SEVEN YEARS THE LOUISIANA LEGISLATURE, AT THE ENCOURAGEMENT OF THE THEN GOVERNOR, SPENT MORE MONEY THAN IT TOOK IN.

AND IT PAPERED OVER THE PROBLEM BY RAIDING EVERY SINGLE STATE SAVINGS ACCOUNT IT COULD FIND AND USING EVERY ACCOUNTING GIMMICK IN THE BOOKS.

WELL, THE STATE'S SAVINGS ACCOUNTS ARE GONE NOW, AND THEY'RE OUT OF TRICKS, AND THE CHICKENS HAVE COME HOME TO ROOST AND THAT'S WHY WE'RE RUNNING A BUDGET DEFICIT.

WHAT DO WE DO ABOUT IT?

HOW DO WE BALANCE THE BUDGET?

GOVERNOR EDWARDS IS PROPOSING TO IMPLEMENT THE LARGEST TAX INCREASE IN THE HISTORY OF LOUISIANA.

BASICALLY WHAT THE GOVERNOR IS SAYING, HE'S TELLING LOUISIANA FAMILIES AND THE LOUISIANA BUSINESSES THAT THEY HAVE TO CUT THEIR BUDGETS SO THAT LOUISIANA STATE GOVERNMENT DOESN'T HAVE TO CUT ITS BUDGET.

GOVERNOR EDWARDS IS PROPOSING TO RAISE PERSONAL INCOME TAX, SALES TAXES, CORPORATE INCOME TAX, CORPORATE FRANCHISE TAXES, BUSINESS UTILITY TAXES, INVENTORY TAXES, CIGARETTE TAXES, LIQUOR TAXES, TELEPHONE TAXES AND HE WANTS TO DO A NEW INTERNET TAX.

IT WILL WRECK OUR ECONOMY, ALREADY FRAGILE.

AND IT WON'T WORK.

I DON'T CARE HOW HIGH THEY RAISE REVENUE.

AS LONG AS THEY SPEND MORE MONEY THAN THEY TAKE IN, THEY'RE GOING TO RUN DEFICITS.

NOW I'VE SENT THE GOVERNOR AND EACH LEGISLATOR OVER 400 DIFFERENT IDEAS AND SUGGESTIONS ABOUT HOW THEY CAN REDUCE SPENDING WITHOUT HURTING ANYONE.

HERE THEY ARE RIGHT HERE...

LET ME MENTION A COUPLE.

NUMBER ONE.

WE HAD \$400 MILLION OF TAXPAYER MONEY TIED UP IN 156 STATUTORY DEDICATIONS.

WE NEED TO UNLOCK THAT MONEY AND REQUIRE THE PROGRAMS THAT THAT MONEY IS PAYING FOR TO COMPETE WITH UNIVERSITIES AND HEALTH CARE FOR APPROPRIATIONS.

NUMBER TWO.

WE HAVE 19,000 CONSULTANTS PAID FOR BY TAXPAYERS ON OUR PAYROLL.

THEY CHARGE TOO MUCH.

AND WE DON'T NEED ALL OF THEM.

NUMBER THREE.

ACCORDING TO THE LEGISLATIVE AUDITOR, 22% OF ALL OF OUR MANAGERS IN THE CLASSIFIED SERVICE OF LOUISIANA STATE GOVERNMENT MANAGE ONE EMPLOYEE.

WE HAVE WAY TOO MANY EXPENSIVE GENERALS AND NOT NEARLY ENOUGH FOOT SOLDIERS.

NUMBER FOUR.

WE NEED TO START SAYING NO, AS THE LAW ALLOWS US TO, TO OUR FRIENDS ON MEDICAID WHO GO TO EMERGENCY ROOMS, EXPENSIVE EMERGENCY ROOMS, TO BE TREATED FOR THINGS LIKE ACNE, TO GET A PREGNANCY TEST, TO HAVE A WART REMOVED, TO TALK TO SOMEONE ABOUT LOSING WEIGHT, TO SEE IF THEY NEED GLASSES.

IT COSTS FIVE TIMES MORE TO TREAT THEM IN AN ER THAN IT DOES IN A PRIVATE CLINIC.

NUMBER FIVE.

3% OF THE 1.4 MILLION LOUISIANIANS ON MEDICAID SPEND 43% OF THE MONEY.

WE NEED TO FIND OUT WHY.

AND NUMBER FIVE.

ACCORDING TO THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES, 10% OF THE 9 BILLION TAXPAYER DOLLARS THAT WE SPEND EVERY YEAR ON MEDICAID IS ATTRIBUTABLE TO FRAUD.

THAT'S \$900 MILLION A YEAR.

EVEN IF CMS IS HALF WRONG, THAT'S \$450 MILLION A YEAR.

WE NEED TO EMBED ABOUT 15 AUDITORS FROM THE LOUISIANA LEGISLATIVE AUDITOR'S OFFICE AND DHH, ROOT OUT THE FRAUD AND PROSECUTE THE PERPETRATORS TO FULL THE EXTENT OF THE LAW.

NOW IN JUST A COUPLE OF MINUTES HERE I'VE GIVEN 6 IDEAS, THERE ARE MANY MORE, THAT IF WE DO THEM PROPERLY, WE'LL SAVE BETWEEN \$500 MILLION AND \$1 BILLION HARD EARNED TAXPAYER DOLLARS.

WE DON'T HAVE A REVENUE PROBLEM. WE'VE GOT A SPENDING PROBLEM.

BUT IT CAN BE FIXED.

AND YOU KNOW WHY I KNOW THAT?

BECAUSE I WATCH LOUISIANA FAMILIES AND I WATCH LOUISIANA BUSINESSES LIVE WITHIN THEIR MEANS EVERY SINGLE DAY.

AND NOW IT'S LOUISIANA STATE GOVERNMENT'S TURN.